

Clarifications for the Call for Tenders for the exploration for and exploitation of hydrocarbons in Offshore Western Greece and South of Crete

(Ministerial Decree D1/A/12892/31.07.2014, Greek Official Journal 2186/B/08.08.2014)

FREQUENTLY ASKED QUESTIONS

1. Payment of Application Fee.

In order to fulfil the Participation Prerequisite of par. 3.4(a) of the Call for Tenders, the Applicant shall remit payment for Application Fee, by wire transfer from his Bank to the following account:

BANK: PIRAEUS BANK

SWIFT/BIC: PIRBGRAA

IBAN: GR54 0172 0760 0050 7607 5430 641

BENEFICIARY: HELLENIC HYDROCARBONS RESOURCES MANAGEMENT SA

REFERENCE: Call for Tenders for the exploration for and exploitation of hydrocarbons in Offshore Western Greece (M.D. D1/A/12892/31.07.2014, G.O.J. 2186/B/08.08.2014).

The amount to be transferred should be net; any transfer charges shall be debited to the payer. The amount paid for the above Fee will not be reimbursed under any circumstances.

The deposit receipt of the transaction shall be enclosed in the Application Envelope. Applications will not be valid without such payment.

2. Participation Prerequisites.

In order to fulfil the Participation Prerequisites of par. 3.4(b) & (c) of the Call for Tenders, regarding purchase of a minimum amount of 1500 line-km of the PGS MC2D-GRE2012 seismic data including all PGS MC2D-GRE2012 seismic data within the Block(s) applied for and the 2D Interpretation Report of 2014 “New Exploration opportunities – Offshore Western Greece and South Crete”, each Applicant shall provide an official declaration letter confirming that:

- a) it has purchased the minimum amount of 1500 line-km of the PGS MC2D-GRE2012 seismic data, including all PGS MC2D-GRE2012 seismic data within the Block applied for,
- b) it has purchased the 2D Interpretation Report of 2014 “New Exploration opportunities – Offshore Western Greece and South Crete”.

Where the Applicant is a Consortium, this declaration is required by each Consortium Member.

3. The term Applicant's Representative in case of a Consortium means that all the parties of such Consortium should appoint one Representative or each party may appoint its own Representative?

Each Consortium should appoint one Representative.

4. In the Greek version of the Call for Tenders, the Applicant's Representative is referred to sometimes as "Εκπρόσωπος του Αιτούντος" and at other times as "Αντιπρόσωπος του Αιτούντος". Is there a difference between the two terms?

Both these terms have the same meaning in the Call for Tenders, namely "Applicant's Representative" and are used interchangeably.

5. The term Lessee includes also the Co-Lessees as indicated in the Model Agreement?

The term "Lessee" includes also the Co-Lessees.

6. The term Consortium or Joint Venture has the same meaning as the term Joint Venture in the Model Agreement (article 1.4)? i.e. the contractual co-operation of the Co-Lessees under a joint operating agreement, without creating or implying or having the intention to create any, de jure or de facto partnership or entity with or without a separate legal personality?

The term Consortium or Joint Venture has the same meaning as the term Joint Venture in the Model Agreement (article 1.4).

7. Kindly inform whether an exploration stage extension (article 2.2 of the Model Agreement) or a special exploration stage extension (article 2.3 of the Model Agreement) may be granted at the end of each phase (but subject to the maximum extension of the stage permitted by law).

Article 5, par. 3 and 4 of the Hydrocarbon Law refers to an extension of the Exploration Stage and to a Special Extension of the Exploration Stage respectively. Same is applied to article 2.2 and 2.3 of the Model Agreement.

8. The Call for Tenders states that any document not available in Greek or English may be submitted "in the original language along with a certified translation into Greek or English language". What does "certified" mean in this context?

Certified translation means a translation by a public authority of any country or by a person or legal entity authorized to provide an officially accepted translation under Greek Law or the Law of any other member state of the EU.

9. Should documents issued by foreign authorities bear the apostille certification provided for by the Hague Convention Abolishing the Requirement for Legalization for Foreign Public Documents?

Any document issued by a non-Greek public authority should indeed bear an apostille according to the aforementioned Convention. A document issued by a state that has not acceded to the aforementioned Convention or whose accession has been objected to by Greece should be certified as to the originality of its signature by the competent Greek Consular Authorities.

10. In section "Content of Application" the two provisions numbered (1) and (2) under heading 3.7 of the Call for Tenders are joined with an "or" in the English version but with an "and" ("και") in the Greek version of the text. Are the two provisions linked disjunctively or conjunctively?

The two aforementioned provisions are linked disjunctively. In other words, the Application Letter shall be accompanied either by the documentation described under (1) or by the documentation described under (2).

11. In section "Content of Application", under (2) there is a provision for the submission of a power of attorney. Such power of attorney may not be necessary for authorization purposes under the governing law/corporate documents of an applicant. Is it still required? If yes in which form it should be (deed etc)?

Yes it is required anyway and it can be either in the form of a deed (preferable option) or a power of attorney printed under the letterhead of the company and signed by its duly authorized representative (director).

12. In Sub file A "Legal Capacity Documentation", does the phrase "all documents and information" at the beginning of the Legal Capacity Documentation section of the Call for Tenders, under heading 3.7, mean that there is no obligation to provide documents for the information required?

All information required by this section of the Call for Tenders should be presented in relevant documentation.

13. Sub file A "Legal Capacity Documentation par. ii.: Is there a model format for the "notarial deed or declaration" that forms part of the Legal Capacity Documentation of the application?

There is no model format or standardized wording for the required notarial deed or declaration. What matters is that the notarial document contains all the information required by the Call for Tenders.

14. Sub file A “Legal Capacity Documentation par. iii.: Who is supposed to issue the Registration Certificate and provide “the name of any sovereign state or legal entity or national of any sovereign state that directly or indirectly holds 50% or more of the voting shares of the Applicant or otherwise has an interest that constitute control”, as parts of the Legal Capacity Documentation of the application?

The Registration Certificate must be issued by the public authority competent to issue such certificates according to the law under which the company is registered. The “name of any sovereign state or legal entity or national of any sovereign state that directly or indirectly holds 50% or more of the voting shares of the Applicant or otherwise has an interest that constitute control” must be provided by the competent organ according to the law under which the company is registered or, in case there is no relevant legal provision, according to the company’s own articles of association. In case there is no relevant provision either in the law or in the company’s own articles of association, the name must be provided by the company’s executive board.

15. The Call for Tenders (Sub file A “Legal Capacity Documentation”) demands that the Applicant include official documentation certifying that the Applicant does not fall within the following parameters:

- **Par. iv. c. has been convicted of an offence concerning its professional activity by a judgment which has the force of res judicata;**
- **Par. iv. d. has committed an act of professional misconduct in the course of its business or profession;**
- **Par. iv. e. has made false statements or misrepresentations in providing any information required under the law, or has failed to provide such information.**

Do these provisions refer to the Applicant companies themselves or to the natural persons that participate in their administration and representation bodies?

The aforementioned documentation concerns only the natural persons who have executive powers and may bind the company.

16. Sub file A “Legal Capacity Documentation”, par. iv. c. criminal conviction concerning professional activity : We understand that this certificate of criminal record will be issued for the Company’s CEO. Also, as per par. iv. e. false statements, we understand that this will be certificate of criminal record issued for the Company’s CEO. Please confirm.

Further to the answer to point 14, if such a power is executed by the company’s CEO, then it refers to the CEO.

17. Sub file A “Legal Capacity Documentation”, par. iv. d. professional misconduct act : We understand that this certification is valid only for civil servants in the context of carrying out their duties and therefore it is not applicable for private law companies introduced in the stock market. Please confirm.

See the answer to point 19.

18. In Sub file A “Legal Capacity Documentation” does the reference to “an act of professional misconduct” in the provision (d) mentioned above apply to current and ex public servants only and therefore not to private law companies?

The aforementioned provision applies to any individuals who either have been or still are subject to disciplinary supervision by a public authority or professional body.

19. In case of foreign Applicants should the certificates bear a Hague Apostille? We understand that if such certificates are drafted in English language no translation is required. Please confirm.

Yes, the certificates should bear a Hague Apostille. If they are in English language no translation is required.

20. In case of participation of a newly established company (100% owned by a parent company) which does not have Balance Sheet, Income Statement or other required financial documents to prove its own financial capabilities, the financial documents of the parent company can be submitted instead?

According to the second paragraph of the Financial Capacity Documentation section of the Call for Tenders, financial documentation shall include the financial structure of the Applicant and its ultimate parent company, if any, including annual reports, audited balance sheets and profit and loss statements for the past three (3) years, and any reports which the Applicant or its ultimate parent company may have filled to competent authorities responsible for securities regulation during that period.

21. The Bid Guarantee of EUR 100,000 should be for each Applicant, no matter how many blocks a company is bidding for, or for each Block Area an Applicant bids for?

The Bid Guarantee of EUR 100,000 is valid for each Application (per Block), provided by the Applicant either it is a single legal entity or a Consortium.

See also the answer to point 31.

22. Regarding the “first class bank acceptable to the Ministry” requirement contained in the Call for Tenders, does it have to be a Greek bank or a foreign bank with a presence in Greece?

Guarantees may be provided by any first class bank lawfully operating in the EU with a branch in Athens or with an established correspondent banking relationship with a first class bank in Athens.

23. In case the bidder is a consortium, separate Bid Guarantees that together cover the whole amount requested will be acceptable?

One Bid Guarantee that covers the whole amount requested (per Block) shall be submitted.

24. We understand the guarantee should be issued for a period of 208 days (the offer must be valid 180 days after the application deadline plus the 28 days additional period included in the text of the bid guarantee form – Annex C). Could you please confirm this is correct, i.e.: the expiry date of the Bid Guarantee as per the Annex C should beto be completed?

The Application deadline is the 14th of July 2015 .

The validity period of an Application is 180 days, starting from the day following the Application Deadline as per 3.1.3.,(i.e. the starting day is the 15th of July 2015).

Thus, the Application validity period expires on the 10th of January 2016.

The expiration of the bid guarantee as per Annex C is as follows:

- If the Applicant is the selected one, the bid guarantee **will continue to be valid** and will expire after the signing of the lease agreement and the issuance of the performance guarantee (Bank Guarantee as per Model Lease Agreement) to the Lessor.
- If the Applicant is not the selected one, the bid guarantee will expire on 7th of February 2016 unless the Bank receives **earlier** a notification of the Lessor to the Applicant stating that another Applicant is the selected one. In such case the bid guarantee will expire on the date of this notification.

25. Does the phrase “The Evaluation Committee will invite Applicants to negotiate competitively” at the forth bullet of the Evaluation Procedure section of the Call for Tenders, under heading 4.2, mean that each Applicant will be officially informed of the other competitive offers and will be asked to “negotiate competitively” by matching or exceeding them?

Applicants, when invited to negotiations, will officially informed about their own deficiencies and will be asked to improve them.

26. Does the phrase “more than one Applicant may be invited to negotiate” at the forth bullet of the Evaluation Procedure section of the Call for Tenders, under heading 4.2, mean that the Evaluation Committee may not invite another Applicant if the “best offer” is in its satisfaction? How many Applicants will invite and on which criteria based on?

Applicants financially and technically qualified may be invited to negotiate on the biddable items. Any “best offer” according to an Applicant’s criteria, can become “better” through negotiations.

27. How does the mark scheme work for the “technical criteria” (i.e. total length of 2D seismic, number of wells) and “financial commitment”?

Technical criteria are directly linked to the quality and the timeframe of the minimum exploration work programme for each exploration Phase, as indicated in the Biddable Items section of the Call for Tenders, under heading 1.

Therefore, each proposed work will be assessed in conjunction to the exploration strategy applied for and to the financial commitment (Minimum Expenditure). **Any numbers provided are meaningless if not accompanied by precise documentation and realistic financial commitment.**

28. How does the mark scheme work for the “financial criteria”? Which will be the criterion to judge and rank the offered “royalty”, since the royalties will be offered on a scale based on R factor the value of which is not known at the evaluation stage?

According to the Biddable Items section of the Call for Tenders, under heading 3, royalties are asked to be submitted on specific (defined) tranches of R factor and will be evaluated on a single comparative basis.

29. Please clarify whether in case of a Consortium the application fee of €2,000 should be paid by each one of the Consortium Members.

The Applicant should pay the Application Fee of EUR 2,000 for each block applied for either it is a single legal entity or a Consortium.

30. Please clarify whether in case of a Consortium the data is required to be purchased by each one of the Consortium Members. Please also define whether the deduction will be calculated in the total amount to be paid by all the Consortium Members. Please also clarify what happens in cases where in a specific block(s) the amount of lines acquired by PGS is less than the minimum required amount of 1500 km.

In case of a Consortium, the minimum amount of 1500 line–km of the PGS MC2D-GRE2012 seismic data including all PGS MC2D-GRE2012 data within the block(s) applied for should be purchased by each Consortium Member. The relevant deduction regarding the number of the Consortium Members can be arranged through their Joint Bidding Agreement. The minimum amount of 1500 line –km should be fulfilled either it covers the block(s) applied for or not.

31. Can you please confirm that the "guarantee of serious intent/ bid bond" is a bank letter of guarantee only, as per Annex D appears to suggest? In case of a Consortium, is it possible that each Consortium Member submits its own bank letter of guarantee, which if taken together with the bank guarantees of the other Consortium Members will sup up to € 100,000.00?

The Bid Guarantee should be provided in the form as in Annex D. One Bid Guarantee that covers the whole amount requested shall be submitted.

Additionally, please note that, the Bid Guarantee shall be addressed to a) Ministry of Reconstruction of Production, Environment and Energy, and b) Hellenic Hydrocarbons Resources Management SA (as beneficiaries).

32. In Annex D / Form of Bid Guarantee / eighth paragraph, reference is made to the extension of the Application Deadline which is probably a typo. Do you mean to refer to an extension of the Application Validity Period?

If, for any reason, the Application Deadline is extended, the validity period of the Guarantee shall be altered accordingly, in a way that the Guarantee is valid and effective for its full amount for the entire time of the Application Validity Period. Please see point 24 that refers to specific dates after the extension of the Application deadline from 14th of May to the 14th of July.

33. In Section 3.7 'Content of Application', please confirm that the items of the "Subfolder A': Legal Capacity Documentation", "Subfolder B': Financial Capacity Documentation" and "Subfolder C': Technical Capability Documentation", in case of a Consortium, must be signed by the legal representative of each Consortium Member, whereas the items of the "Subfolder D': Biddable Items" and the "Application Letter" by the Applicant's Representative, who is the one person (Representative) appointed by the Consortium.

Yes, the documents of Subfolders A, B and C must be signed by the legal representative of each Consortium Member, whereas the items of the "Subfolder D': Biddable Items" and the "Application Letter" by the Applicant's Representative, who is the one person (Representative) appointed by the Consortium.

34. In Annex D / Form of Bid Guarantee / sixth paragraph, reference is made to the expiry date of the Bid Guarantee as follows: "This Guarantee will be valid and effective for its full amount from the date of this Guarantee and thereafter until the(date)". Please confirm that the date of 7th of February 2016 is the proper to fill in the aforementioned gap.

According to the answer to point 24, the proper date is the 7th of February 2016.